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DE RUEHMK #0047/01 0271225
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FM AMEMBASSY MANAMA
TO RUEHC/SECSTATE WASHDC PRIORITY 7556
INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE PRIORITY
RUEHLO/AMEMBASSY LONDON PRIORITY 1029
RUEHFR/AMEMBASSY PARIS PRIORITY 0914
RUCPDO/USDOC WASHDC PRIORITY
RHMFISS/HQ USCENCOM MACDILL AFB FL PRIORITY
RHBVAKS/COMUSNAVCENT PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 MANAMA 000047

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COMMERCE FOR 4520/ITA/MAC/ONE/HOFFMAN

E.O. 12958: DECL: 01/27/2018
TAGS: [EIR](#) [EINV](#) [ETRD](#) [ECON](#) [BA](#)
SUBJECT: EMBASSY ADVOCACY HELPS WIN \$6 BILLION BOEING DEAL

REF: A. 07 MANAMA 408

[B](#). 07 MANAMA 338

Classified By: Ambassador Adam Ereli, reasons 1.4(b) and (d).

----- SUMMARY -----

- 1.(C) Following months of heavy lobbying by the Ambassador, the Crown Prince and King rejected a Gulf Air proposal to buy Airbus and directed t
- 2.(C) Post commercial advocacy efforts paid off handsomely on January 13 when Gulf Air signed a deal to buy 16 787s, valued at \$3.4 billion, wi
- 3.(C) Boeing first requested USG assistance in May 2006, when then Gulf Air president James Hogan announced plans to replace the carrier's agir
- 4.(C) With the Government of Oman's announced withdrawal from Gulf Air in May 2007, Minister of Finance Shaikh Ahmed Bin Mohammed Al Khalifa tc
- 5.(C) However, Dose's aggressive downsizing drive, which also led to cuts in routes and personnel, brought him into conflict with the Gulf Air
- 6.(C) The Gulf Air board, now controlled entirely by the GOB, made clear to Naff its vision for Gulf Air as a robust, revitalized national carr
- 7.(C) On December 12 Gulf Air delivered bad news to Boeing - the board had selected the Airbus package. Signaling that Boeing's prospects were
- 8.(C) Boeing renewed its request for advocacy. The Ambassador and Econoff persisted in lobbying Gulf Air management, board members, government
- 9.(C) Kooheji urgently requested a meeting with the Ambassador on December 30 to advise him that the Crown Prince and King had rejected Gulf Ai
- 10.(C) The Ambassador notified Boeing that its representatives would need to return to Bahrain quickly and be ready to finalize an agreement. s
- 11.(C) Encouraged by such a high-level assurance of good faith, Boeing responded by shaving an additional five percent off its proposed sale pr
- 12.(U) On January 13, Gulf Air and Boeing signed the \$6 billion Boeing deal. Dreamliner delivery will start in 2016. In the meantime, Kooheji s
- 13.(C) GOB officials tell Emboffs that French President Sarkozy, who was visiting the region at the time, made a last-minute call to King Hamad
- 14.(C) Although Gulf Air has just completed a major long-range aircraft purchase, it is not finished shopping. Kooheji has said Gulf Air still
- 15.(C) The Embassy's role in Boeing's success is noteworthy for advancing well beyond every-day advocacy. Gulf Air relied on the Embassy to not